

TO: The Secretary of State
Attention: Mr. Deane A. Felt
Director, Office of Security

FROM: Deputy Director, Plans

SUBJECT: FRANZ, Friedrich

1. Reference is made to your AT memorandum AGO/128, dated 23 March 1954, subject as above, where may you desire obtained against the files of this office.
2. A review of the files of this office disclosed the following information, in addition to that contained in AGO-127, concerning subject:
 3. A summary of information concerning subject was prepared prior to 1945 by a predecessor organization. According to this memorandum, Friedrich FRANZ, Dr. of Economics and Engineering (both honorary degrees), was owner and director of the FRANZ Combine, one of the largest and most powerful cartels in Europe. FRANZ's firm was included on a list of 130 key German business leaders, 100 German engineers, chiefly because he maintained close contacts with high officials of the Nazi regime, especially Heinrich GOERING, through the intermediary of his associate, Otto BREKKE.
 4. According to a report dated 2 August 1953 from a usually reliable source, the French Government reportedly made possible a final agreement in negotiations for the sale of Friedrich FRANZ's controlling interest in the Rhei coal enterprises, Bergbauvereinigte AG, to the French de Wendel Rhei Industrial Interests. A preliminary agreement was reached in May, as reported in this press, but was recently enlarged by the 12th May or the French interests to offer a payment scheme satisfactory to FRANZ. The French thus informed FRANZ that they would have to turn to the French Government for "loan." The agreed price was reportedly about 300,000,000 DM, of which a part would be paid in French francs, convertible to FRANZ for investment in France.

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2. The following information concerning subject you are to
transmit to the following organizations which were forwarded to the
Department of State:

- a. CS-3955, dated 26 March 1951, subject: Activities of
Tribal Authorities in French Guiana.
- b. CS-3956, dated 22 May 1951, subject: Activities of
Tribal Authorities in French Guiana.
- c. CS-3957, dated 1 February 1951, subject: Activities of
Tribal Authorities in French Guiana.
- d. CS-3958, dated 26 March 1951, subject: Activities of
Tribal Authorities in French Guiana.
- e. CS-3959, dated 6 April 1951, subject: Activities of
Tribal Authorities in French Guiana.

CS 39-1913

Date: 1 May 1951

RI/SC: AMW/JK/alt

Based On: Archives

Box 4
RGF-273

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